



MARYLAND



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Market Analysis - September 14, 2004

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Soybeans ended last week on a bearish note despite a bullish USDA report. Specifically the report showed smaller production numbers (2.836 billion bushels). Ending stocks for 2003-2004 were left unchanged at 105 million bushels despite a 20 million bushel increase in crushed beans. This was offset by a reduction in exports (5 million bushels). This drops residual use to a (completely confusing) 15 million bushels for the year. Had this adjustment not occurred we would have seen ending stocks fall below 100 million bushels for the first time in recorded history (most interesting). This week (Monday) beans fell in a quiet trading session probably due to continued bearish activity on Friday but short covering toward the end of the day (the unknown path of Hurricane Ivan caused short covering) lifted spirits and prices. Tuesday was another down day due to near term ideal weather conditions in most of the Midwest. NOPA's report of 96.5 million bushels crushed in August was below trade estimates but one DTN analysts was quoted as saying "It just shows that we (U.S.) are running short of beans." Prices don't seem to be reflecting that sentiment however. What makes matters worse is that basis levels continue to be eroded away despite hardly any harvesting. So, is there anything to be optimistic about? Yes; world grain levels remain at record levels and China continues to want beans. Also (not nice to think about) Ivan could damage a huge portion of the soybean crop in the South. Corn was hit hard by the USDA numbers. USDA projected corn production at 10.961 billion bushels up from last month's 10.923. Ending stocks were also raised, 40 million, 2003 - 2004 and 77 million in 2004 - 2005. Corn futures were down 9 cents last week when all was said and done. Disappointing demand and favorable weather conditions exerted more resistance to upward movement in prices on Monday and the December contract managed to find a new low on Tuesday prompted by reports of harvesting and better than expected yields. It became evident on Wednesday that the CBOT crowd was thinking in terms of an 11.0 billion crop and there are certainly no worries of shortages this year. Can things get worse? Yes, basis seems to be collapsing everywhere. Finally, wheat rallied on Friday of last week! There were signs of both technical and fundamental bullishness and Minneapolis led the way. In fact, Chicago jumped 15 cents, Kansas up 15 cents and Minneapolis up 20 cents. Fund buying and spring wheat crop worries, especially in Canada prompted the long position taking. By mid week of this week prices remained at a decent level after Canadian farmers were reported to have been unable to work and there is little relief in sight. Technically we are in a consolidation pattern. Translation: traders don't know which way to move.

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec04)	NEW (Dec04)	CASH (Nov04)	NEW(Nov04)	CASH(Dec04)	NEW(Jul05)
Western MD	+49	n/a	-2	n/a	-27	n/a
Central MD	+16	+7	+2	n/a		-20
Southern MD	-8	n/a	-31	n/a	-35	-35
Upper E. Sh	+3	n/a	-3	n/a	n/a	-17
Lower E. Sh	+4	n/a	+4	n/a	-29	-30

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

With 5.7 days suitable for fieldwork, Maryland farmers had excellent conditions for harvesting corn. Corn harvested for grain is ahead of schedule at 14 percent complete with 79 percent of the crop rated in good to excellent condition. Corn for silage passed the halfway mark at 60 percent harvested, 15 percent higher than the 5 year average. Farmers are pushing harvesting activity with anticipation of wet weather during hurricane season. Although the recent dry weather has boosted harvesting activity, moisture is needed to maintain good conditions in hay fields and pastures. Pasture is rated 15 in excellent condition, 37 percent good, 37 percent fair, 7 percent poor, and 4 percent very poor.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	09/07	9/14	09/07	9/14	09/07	9/14	09/07	9/14
Western Md	2.77	2.68	5.84	5.65	2.98	3.10	2.00	2.12
Central MD	2.38	2.35	5.81	5.69	3.11	3.27	2.15	2.15
Southern MD	2.17	2.08	5.89	5.36	2.87	3.02	---	---
Upper E. Shore	2.34	2.22	6.08	5.36	2.92	---	1.80	---
Lower E. Shore	2.37	2.23	5.94	5.71	2.95	3.08	1.76	1.76

Soybean Meal

Lower Eastern Shore

Dealer's Average Cash quotes (\$/ton)

Date	9/07	9/14	Date	9/07	9/14
48% Soybean Meal	213.00	210.00	44% Soybean Meal	201.00	198.00

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	09/07	9/14	09/07	9/14	09/07	9/14	09/07	9/14
Western Md	---	---	---	---	---	---	---	---
Central MD	2.38	2.44	5.81	5.91	3.19	3.32	---	---
Southern MD	2.17	2.08	5.59	5.36	3.03	3.17	1.65	1.65
Upper E Shore	2.34	2.22	5.73	5.36	3.09	3.20	1.65	1.65
Lower E Shore	2.37	2.23	5.68	5.45	3.10	3.22	1.65	1.65

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Sep 14, 2004

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sep	206.40	Sep	560.00	Sep	327.20	Sep	166.00
Dec	218.00	Nov	565.40	Dec	331.60	Oct	165.00
Mr05	227.20	Ja05	573.00	Mar05	342.40	Dec	167.20
May	234.00	Mar	579.20	May	346.60	Ja05	168.60
Jul	239.00	May	585.20	Jul	347.20	Mar	171.80
Sep	244.00	Jul	590.20	Sep	352.40	May	174.30

¹ \$/ton

HAY AND STRAW					
New Holland, PA - \$/ton - Sep 13, 2004 - 85 Loads					
Alfalfa 10.00-105.00	Mixed 40.00-225.00	Timothy 60.00-100.00	Orchardgrass 45.00-185.00	Straw 65.00-200.00	
Westminister, MD - \$/bale - Sep 14, 2004 -					
Not Available					
POULTRY (Grade A) - Week Ending Sep 18, 2004					
	Current Week	Week Ago	Month Ago	Year Ago	
NY Wtd Avg. (Fryers)	62.64	61.22	70.87	58.71	
12 City Composite	69.59	70.14	75.97	63.61	
LAMBS - Westminister, MD - \$/cwt - Sep 14, 2004					
40-50 lbs	102.50-117.50	90-100 lbs	90.00-117.50	Sheep	
60- 80 lbs	107.50-122.50	110-130 lbs	75.00-111.00	All Weights 47.50-100.00	
TERMINAL MARKETS HOGS - Sep 16, 2004			DIRECT MARKET HOGS - Westminister, MD - Sep 14, 2004		
Base Price Range (\$/cwt) a.m.	Carcass Basis Base 185 lb Hog	Sows (1-3) 300-449 lbs	Butcher Hogs		215-260 lbs 48.00-50.00
Iowa, Minn	69.00-72.77	37.00-45.04	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Sep 21, 2004		
Eastern Cornbelt	61.50-73.31	38.00-52.21			
FEEDER PIGS - (\$/cwt) -					
Gumboro, DE -			New Holland, PA - Sep 15, 2004		
Head:	Trend:		Head: 360	Trend: All slaughter	
	Next Sale Sep 21, 2004			39-43 lbs	90.00-92.00
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Sep 14, 2004			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Sep 14, 2004		
Sep	84.00	Dec	88.65	Oct	67.70
Oct	85.43	Feb	89.50	Dec	65.48
Nov	86.00	Apr	86.65	Fb05	64.55
				Apr	62.35
				May	62.65
				Jun	65.85
STOCKER-FEEDER CATTLE - (\$/cwt)					
Winchester, VA - Sep 13, 2004			Westminister, MD - Sep 14, 2004		
Steers	300-400 lbs	118.00-141.00	Steers	200-300 lbs	85.00-114.00
	400-500 lbs	124.00-140.00		400-500 lbs	86.00-123.00
	500-600 lbs	112.00-125.00		600 lbs	61.00- 97.00
	600-700 lbs	107.50-114.50	Heifers (M&L)	200-300 lbs	83.00-125.00
	700-800 lbs	99.50-110.00		400-500 lbs	73.00-125.00
Heifers	300-400 lbs	114.00-122.50		800-900 lbs	67.50- 79.00
	400-500 lbs	105.50-118.00			
	500-600 lbs	95.00-105.00	Hols Bulls Returned to farm	80- 90 lbs	85.00-127.50
	600-700 lbs	94.50-105.00		100-110 lbs	100.00-150.00
	700-800 lbs	89.00- 92.00	Holstein Heifers #2		165.00-290.00
	800-900 lbs	91.00- 91.50			
Lancaster, New Holland & Vintage - Week Ending - Sep 18, 2004					
Bull, Holstein	90-120 lbs	145.00-190.00	Plainer	90-120 lbs	137.00-162.00
Heifers, Hols	90-120 lbs	500.00-610.00	Plainer	90-120 lbs	300.00-485.00
SLAUGHTER CATTLE (\$/cwt)					
Westminister, MD - Sep 14, 2004					
Fed Steers			Fed Heifers		
H-Ch		79.50-83.00	H-Ch		78.50-83.25
L-Ch		74.50-79.00	Ch		77.50-78.00
Select		70.00-74.00	Small & Fat	100 lbs	56.50-77.00
Cows			Calves		
High Dressing		50.00-55.00	Slaughter		40.00-75.00
Breakers		44.25-50.00	Jersey		2.00-42.00
Boners		40.00-44.00			
Thin & Slow		38.50-Down			
Lancaster, New Holland & Vintage - Week Ending - Sep 18, 2004					
Steers, Ch 2-3		1165-1475 lbs	80.00-82.60		\$1- \$1.50 higher
Cows, Breakers 75-80 pct lean			53.00-57.00		Steady
Bulls, YG 1		1163-1865 lbs	59.50-69.00		Mostly steady

For more information about this report, call 410-841-5740 or write:

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